

Form 3160-5
(February 2005)

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. LC-055561
2. Name of Operator Fairway Resources Operating, LLC		6. If Indian, Allottee or Tribe Name
3a. Address 538 Silicon Drive, Suite 101 Southlake, TX 76092	3b. Phone No. (include area code) 817-416-1946	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1500' FNL and 2290' FEL Sec.35, T-17-S, R-27-E		8. Well Name and No. Midnight Matador "A" #3
<div style="font-size: 2em; font-weight: bold; transform: rotate(-5deg);">SEP 10 2007</div> <div style="font-size: 1.5em; font-weight: bold; transform: rotate(-5deg);">OCC-ARTESIA</div>		9. API Well No. 30-015-35697
		10. Field and Pool, or Exploratory Area Red Lake Queen/Grayburg/San Andres
		11. County or Parish, State Eddy County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>surface commingling</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Permission from the BLM to commingle oil and gas production from leases LC-050258 (the Midnight Matador lease) and LC-055561 (the Midnight Matador "A" lease) was granted to McQuadrangle LLC, the previous operator, on May 19, 2006. Fairway Resources Operating, LLC, the current operator of the leases, requests permission to include the Midnight Matador "A" #3 in the commingling approval. Oil and gas production from both leases will be metered at the central tank battery before commingling. Fairway Resources owns all of the working interest in both leases. The attached map shows the two subject leases, the Midnight Matador central tank battery, and affected wells on the leases.

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Kenneth Pearce	Title Engineer
Signature <i>Kenneth Pearce</i>	Date August 23, 2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>David R. Glass</i>	Title PETROLEUM ENGINEER	Date AUG 29 2007
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)